

EXPIRATION DATE: The tax terminates January 1 of the second year immediately following the year during which the last of the pertinent bonds or notes have been retired.

COUNTY ADJUSTED GROSS INCOME TAX (CAGIT)

IC 6-3.5-1.1

ACCT. NO. 1000-780010

TAXPAYER: An individual who resides in a taxing county, or an individual who maintains his principal place of employment or business in a taxing county (as of January 1 of the calendar year in which the individual's taxable year commences) but does not reside in a county that imposes the County Adjusted Gross Income Tax, the County Option Income Tax, or the County Economic Development Income Tax.

COUNTY RESIDENCY DETERMINATION: If a taxpayer changes the location of his residence to another county in Indiana during a calendar year, his liability for CAGIT will not be affected. However, if a taxpayer changes his residence to a county in which the individual begins employment or business at a qualified economic development tax project (IC 36-7-27-9), the individual's adjusted gross income, attributable to employment or business at the qualified economic development tax project, is immediately taxable by the new county instead of being taxable beginning January 1 of the following calendar year.

PRINCIPAL PLACE OF EMPLOYMENT OR BUSINESS DETERMINATION: If a taxpayer changes the location of his principal place of employment or business to another county in Indiana during a calendar year, his liability for CAGIT will not be affected. However, if a taxpayer changes his principal place of employment or business to a qualified economic development tax project (IC 36-7-27-9), and does not reside in another county in which CAGIT is in effect, the individual's adjusted gross income, attributable to employment or business at the qualified economic development tax project, is immediately taxable by the new county instead of being taxable beginning January 1 of the following calendar year.

TAX BASE: Indiana Adjusted Gross Income.

DEDUCTIONS AND EXEMPTIONS: Identical to those for State Adjusted Gross Income Tax.

CREDITS: A portion of the Federal Credit for Elderly and Totally Disabled, and credit for taxes imposed by governmental entities outside of Indiana.

RATE: 0.25% for nonresident county taxpayers, and 0.5%, 0.75%, or 1% for resident county taxpayers (according to the election of each county council). If a county council elects to decrease its CAGIT rate, it may do so by increments of 0.1%.

RATE EXCEPTIONS: Jackson County and Pulaski County may impose CAGIT for resident county taxpayers at a tax rate of 1.1% and 1.3%, respectively. Additional revenues for Jackson County are required to be used for funding the operation of a jail and juvenile center, and additional revenues for Pulaski County are required to be used for funding the operation of a jail and justice center. Daviess County CAGIT, Elkhart County CAGIT, and Marshall County CAGIT may be imposed at 1.15%, 1.2%, or 1.25% for the construction of new jail or juvenile facilities or the repair of existing facilities. Union County CAGIT may be imposed at 1.25% rate in order to fund repairs/renovation to the Union County courthouse.

PROCEDURE: CAGIT is paid to the Department of State Revenue at the same time as the state's Individual Adjusted Gross Income Tax.

ADMINISTRATION: Income Tax Division, Department of State Revenue.

CERTIFIED DISTRIBUTION: The amount of CAGIT revenue to be distributed to counties during an ensuing calendar year equals the amount of revenue the Department of State Revenue, based on State Budget Agency recommendation, determines has been reported and actually received from the county for a taxing year ending before the calendar year in which the determination is made. The amount is determined based on reported collections less any refunds made for overcollection of the tax before July 1 of the current year. This amount, with refunds accounted for, is as reported and processed by the Department of State Revenue in the state fiscal year ending before July 1 of the calendar year in which the determination is made.

Before August 2 of the immediately preceding calendar year, the Department of State Revenue, after reviewing the recommendations of the State Budget Agency, certifies to the county auditor of each adopting county the amount of CAGIT revenue that was reported and processed (less refunds) from that county one year previous to the ensuing calendar year.

ADJUSTMENTS TO CERTIFIED DISTRIBUTION: The Department of State Revenue may certify to an adopting county an amount that is less than the amount reported and processed if the Department, after reviewing the recommendations of the State Budget Agency, determines that such action is necessary to offset overpayments made in previous calendar year certified distributions.

Effective June 1, 2003, before October 2, the Department of State Revenue determines, with Budget Agency recommendation, if sufficient balance exists in the county account in excess of the amount necessary when added to other money deposited in the account after the date of recommendation for certified distributions to the county in the ensuing year. Any excess balance is placed in a supplemental distribution in January following the determination. The supplemental distribution must be allocated in the same manner as certified distributions, but is deposited in the county civil taxing unit's rainy day fund.

DISTRIBUTION OF REVENUE: Except for revenue that must be used to pay the costs of operating jails, a juvenile detention center, and justice center in Jackson County, Pulaski County, Marshall County, Elkhart County, and Daviess County; and for courthouse repairs in Union County, the certified distribution received by the county treasurer is allocated, distributed, and used by civil taxing units and school corporations as certified shares and property tax replacement credits.

Property tax replacement credits are used by all units of government for property tax relief. However, certified shares are used only by civil taxing units, in part for additional property tax relief and in part for general governmental purposes.

PERCENTAGES: The percentage of a certified distribution that will be allocated as property tax replacement credits or as certified shares depends upon the CAGIT rate for resident county taxpayers. The percentages are set forth in the following table:

Certified Distribution Allocation (based on CAGIT rate for resident county taxpayers)

CAGIT Rate	Property Tax Replacement	Certified Shares
0.5%	50%	50%
0.75%	33-1/3%	66-2/3%
1.0%	25%	75%

Effective January 1, 2000, in the case of a county, an amount equal to the property taxes imposed by the county in 1999 for its welfare and welfare administration fund will be used in calculating certified shares.

ALLOCATION: The certified distribution is allocated to each county treasurer from a CAGIT Special Account (within the state General Fund) by equal shares in May and in November. Before October 2, of each year, the Department of State Revenue must notify each county treasurer of the balance in that county's account at the end of the preceding year.

**County Adjusted Gross Income Tax (CAGIT)
Certified Distributions and Rates**

County	FY 2004 % Rate	CY 2003 Cert. Distribution	CY 2004 Cert. Distribution
1 BARTHOLOMEW	1.000	15,003,296	13,503,190
2 BENTON	1.000	1,379,537	1,241,532
3 BLACKFORD	1.000	1,975,505	1,777,877
4 BROWN	1.000	2,745,163	2,470,687
5 CARROLL	1.000	3,296,497	2,993,930
6 CASS	1.000	6,237,777	5,480,985
7 CLARK	1.000		14,651,971
8 CLAY	1.250	3,761,506	4,355,555
9 CLINTON	1.000	5,174,566	4,688,887
10 CRAWFORD	0.750	935,327	887,972
11 DAVIESS	1.250	4,613,195	4,613,195
12 DECATUR	1.000	4,088,799	3,679,834
13 DEKALB	1.000	7,187,799	6,430,738
14 ELKHART	1.250	32,230,860	36,876,043
15 FLOYD	0.750		11,144,858
16 FOUNTAIN	1.000	2,624,671	2,387,745
17 FRANKLIN	1.000	3,689,859	3,321,022
18 FULTON	1.000	3,053,221	2,836,270
19 HANCOCK	1.000	12,856,898	12,388,002
20 HARRISON	0.750	4,324,127	4,333,291
21 HENDRICKS	1.000	23,281,759	24,749,023
22 HUNTINGTON	1.000	6,356,169	5,720,586
23 JACKSON	1.100	7,317,823	6,586,164
24 JASPER	1.000	4,711,121	4,566,451
25 JAY	1.000	2,803,125	2,522,760
26 JENNINGS	1.000	3,833,374	3,450,051
27 JOHNSON	1.000	24,506,293	24,503,629
28 LAGRANGE	1.000	4,892,333	4,403,310
29 LAPORTE	0.500	9,158,255	8,601,564
30 LAWRENCE	1.000	6,990,513	6,291,334
31 MARSHALL	1.250	7,258,296	6,689,074
32 MORGAN	1.000	12,181,420	11,488,178
33 NEWTON	1.000	2,143,144	1,977,522
34 NOBLE	1.000	7,497,480	6,545,812
35 OHIO	1.000	902,276	855,529
36 ORANGE	1.000	2,537,227	2,264,600
37 OWEN	1.000	2,849,886	2,689,642
38 PARKE	1.000	2,197,804	1,977,979
39 PULASKI	1.300	2,682,228	2,344,361

40 PUTNAM	1.000	5,233,854	4,929,789
41 RANDOLPH	1.000	3,095,991	3,085,744
42 RIPLEY	1.000	4,535,689	4,539,318
43 RUSH	1.000	2,221,396	2,221,396
44 SHELBY	1.000	7,650,490	6,885,471
45 STARKE	0.500	1,470,407	1,323,372
46 STEUBEN	1.000	5,849,815	5,246,672
47 TIPTON	1.000	3,142,377	2,828,177
48 UNION	1.250	1,294,346	1,213,268
49 VIGO	0.750		11,044,639
50 WABASH	1.000	5,500,882	4,988,978
51 WARREN	1.000	1,319,111	1,230,955
52 WASHINGTON	1.000	3,588,818	3,410,758
53 WAYNE	1.250	13,296,421	13,231,523
54 WELLS	1.000	4,885,783	4,338,076
55 WHITE	1.000	3,912,767	3,570,430
56 WHITLEY	1.000	5,558,375	5,002,513

\$321,835,651 \$347,382,234

COUNTY MOTOR VEHICLE EXCISE SURTAX

County Motor Vehicle Excise Surtax: IC 6-3.5-4

County Wheel Tax: IC 6-3.5-5

TAXPAYER:

Excise Surtax: Owners of vehicles liable for the license excise tax who reside in a county that imposes the tax.

Wheel Tax: Owners of other classes of vehicles who reside in a county that imposes the tax. A county must adopt or rescind both taxes simultaneously.

TAX BASE:

Excise Surtax: Passenger cars, motorcycles, and trucks with a gross weight of 11,000 pounds or less.

Wheel Tax: Buses, recreational vehicles, semi-trailers, tractors, trailers over 3,000 pounds, and trucks not subject to the Excise Surtax.

RATES:

Excise Surtax: Adopting counties may impose the Surtax at rates ranging between 2% and 10% of the excise tax that would have been due under the pre-1996 excise tax rate table. However, the